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SENSITIVE
SIPDIS

STATE FOR EEB/ESC/TFS (LRECHT AND EUR (BROCKWELL))
TFFC (KLEAHY, MROSEN, ALARSON)

E.O. 12958: N/A

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SUBJECT: TERRORIST FINANCING TRIAL IN SWEDEN SHINES LIGHT
ON ABUSE OF CHARITABLE SECTOR

REF: STATE 5834

[1](#)1. (SBU) On February 5, Acting Economic Counselor shared reftel on Countering Terrorist Abuse in the Charitable Sector with Sofie Hillbom, Desk Officer, Department for Security Policy, Counter-Terrorism Unit at the Swedish MFA. Hillbom thanked post and added that Sweden continues to scrutinize the charitable sector for abuse. She cited the ongoing terror financing trial of Khalid al-Yousef, head of the Swedish branch of the al-Aqsa Foundation, as proof. Hillbom stated that she would pass reftel points to other agencies and colleagues.

[1](#)2. (U) Background: On February 2, Khalid al-Yousef, head of al-Aqsa Spannmål, the Swedish chapter of Palestinian al-Aqsa Foundation, went on trial for allegedly using donations he has collected to support Hamas. Swedish prosecutors maintain that the nearly \$500,000 collected by the foundation, supposedly to help support Palestinian orphans and other humanitarian efforts, were instead channeled to Hamas. Al-Yousef is charged with crimes against Sweden's terror financing and sanctions laws and, if convicted, faces a penalty ranging from six months to six years in prison.

[1](#)3. (U) In 2003, the U.S. requested that Swedish authorities freeze al-Aqsa Spannmål's assets because it suspected the group was funneling money to Hamas. Sweden froze the group's accounts in 2006, and al-Aqsa was arrested on suspicion of preparing acts of terrorism and general destruction. He was later released due to lack of evidence. In spring 2007, Swedish police discovered that the al-Aqsa foundation made additional payments abroad using other bank accounts.

[1](#)4. (U) Post will report the result of the trial septel.
SILVERMAN